



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

**Fiscal Note
 Memorandum**

Room 029 State Capitol, Denver, CO 80203-1784
 Phone: (303) 866-3521 • Fax: (303) 866-3855
 lcs.ga@state.co.us • leg.colorado.gov/lcs

February 5, 2018

TO: Members of the House Finance Committee

FROM: Larson Silbaugh, Principal Economist
 Larson.Silbaugh@state.co.us | (303-866-4720)

SUBJECT: Fiscal Assessment of Proposed Amendment **HB1062_L.001**.

This memorandum is an assessment of the fiscal impact of the attached proposed amendment to **HB18-1062**. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

The bill reduces the revenue generated by the special sales tax on marijuana, which reduces special sales tax revenue distributed to local governments, the General Fund, the State Public School Fund, and the Marijuana Tax Cash Fund. Amendment L.001 changes the distribution of special sales tax revenue to keep revenue to local governments, the State Public School Fund, and the Marijuana Tax Cash Fund at current law levels. Revenue retained in the General Fund is reduced to keep the other distributions whole.

Fiscal Impact of Amendment

Table 1 compares revenue under the amendment to local governments, the Marijuana Tax Cash Fund, the General Fund, and the State Public School Fund with the introduced version of the bill.

Table 1
Change in Distributions From Amendment L.001

	FY 2017-18 (current year)	FY 2018-19	FY 2019-20
Local Share	\$0.8 million	\$3.5 million	\$3.8 million
Marijuana Tax Cash Fund	(\$2.5 million)	(\$11.2 million)	(\$12.3 million)
General Fund	\$1.6 million	\$3.7 million	\$4.1 million
State Public School Fund	-	\$4.0 million	\$4.3 million

Bill's Revised Fiscal Impact with Amendment

Table 2 compares revenue under the bill with the amendment to local governments, the Marijuana Tax Cash Fund, the General Fund, and the State Public School Fund with current law.

Table 2
Change in Distributions From HB 18-1062 As Amended

	FY 2017-18 <i>(current year)</i>	FY 2018-19	FY 2019-20
Local Share	-	-	-
Marijuana Tax Cash Fund	-	-	-
General Fund	(\$0.3 million)	(\$1.2 million)	(\$1.3 million)
State Public School Fund	-	-	-

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

HB18-1062 be amended as follows:

1 Amend printed bill, page 4, line 15, strike "ONE-TENTHS" and substitute
2 "ONE-TENTH".

3 Page 5, after line 1, insert:

4 "SECTION 4. In Colorado Revised Statutes, 39-28.8-203, amend
5 (1)(a)(I), (1)(b)(I.3) introductory portion, and (1)(b)(I.5) as follows:

6 **39-28.8-203. Disposition of collections - definitions.** (1) The
7 proceeds of all money collected from the retail marijuana sales tax are
8 initially credited to the old age pension fund created in section 1 of article
9 XXIV of the state constitution in accordance with paragraphs (a) and (f)
10 of section 2 of article XXIV of the state constitution and thereafter are
11 transferred to the general fund in accordance with section 7 of article
12 XXIV of the state constitution. For each fiscal year in which a tax is
13 collected pursuant to this part 2, an amount shall be appropriated or
14 distributed from the general fund as follows:

15 (a) (I) Before July 1, 2017, an amount equal to fifteen percent of
16 the gross retail marijuana sales tax revenue collected by the department
17 is apportioned to local governments. On and after July 1, 2017, BUT PRIOR
18 TO APRIL 1, 2018, an amount equal to ten percent of the gross retail
19 marijuana sales tax revenue collected by the department is apportioned to
20 local governments. ON AND AFTER APRIL 1, 2018, AN AMOUNT EQUAL TO
21 TWELVE AND FOUR-TENTHS PERCENT OF THE GROSS RETAIL MARIJUANA
22 SALES TAX REVENUE COLLECTED BY THE DEPARTMENT IS APPORTIONED TO
23 LOCAL GOVERNMENTS. The city or town share is apportioned according
24 to the percentage that retail marijuana sales tax revenue collected by the
25 department within the boundaries of the city or town bear to the total
26 retail marijuana sales tax revenue collected by the department. The county
27 share is apportioned according to the percentage that retail marijuana
28 sales tax revenue collected by the department in the unincorporated area
29 of the county bear to total retail marijuana sales tax revenue collected by
30 the department.

31 (b) (I.3) On and after July 1, 2017, but before July 1, 2018, of the
32 ~~ninety~~ percent of the gross retail marijuana sales tax revenue in the
33 general fund remaining after the allocation to local governments required
34 by subsection (1)(a)(I) of this section is made, the state treasurer shall
35 retain twenty-eight and fifteen one-hundredths percent less thirty million
36 dollars in the general fund for use for any lawful purpose and shall
37 transfer from the general fund:

38 (I.5) On and after July 1, 2018, of the ~~ninety~~ EIGHTY-SEVEN AND
39 SIXTH-TENTHS percent of the gross retail marijuana sales tax revenue in

1 the general fund remaining after the allocation to local governments
2 required by subsection (1)(a)(I) of this section is made, the state treasurer
3 shall retain ~~fifteen and fifty-six~~ EIGHTEEN AND NINETY-THREE
4 one-hundredths percent in the general fund for use for any lawful purpose
5 and shall transfer from the general fund:
6 (A) ~~Seventy-one and eighty-five~~ SIXTY-FIVE AND THREE
7 one-hundredths percent to the marijuana tax cash fund; and
8 (B) ~~Twelve and fifty-nine~~ SIXTEEN AND FOUR one-hundredths
9 percent to the state public school fund created in section 22-54-114 (1)
10 for use as specified in section 22-54-139 (3)."

11 Renumber succeeding sections accordingly.

12 Page 5, line 25, strike "4" and substitute "5".

** *** ** *** **